



Information Technology Investment Board

Finance and Audit Committee

January 2008

This Finance Report covers the following topics:

- Fiscal Year 2008 To Date VITA Financial Results (thru November 30, 2007)
 - Cash Flow – Internal Service Fund
 - Northrop Grumman payments
 - Accounts Receivable
- 2008 Session Budget Update
- JLARC Rates Approval
- Enterprise Applications Project Office Financial Results
- Appendix – Combining Balance Sheets and Combining Statement of Revenues, Expenses and Changes in Net Assets

FY 2008 Financial Results

Financial Results All Funds

| | <i>FY 2008 Budget</i> | <i>Nov-07 YTD Actual</i> | <i>Actual as a % of Budget</i> |
|--|----------------------------------|-----------------------------------|------------------------------------|
| <u>All Funds</u> | | | |
| Revenues, including transfers in | \$312,842,809 | \$126,327,721 | 40.4% |
| Expenses, including transfers out | <u>309,983,550</u> | <u>122,882,842</u> | 39.6% |
| Net Change | <u><u>\$2,859,259</u></u> | 3,444,879 | |
| Retained Earnings, July 1 | | <u>46,732,303</u> | |
| Ending Retained Earnings | | <u><u>\$50,177,182</u></u> | |

Combined financial activity in all funds in fiscal year 2008 through the first two (2) months is running about on target for this early in the year. Revenue and Expense details for various programs are described following the fund tables below.

**YTD Financial Results
Internal Services Funds**

| | <i>FY 2008 Budget</i> | <i>Nov-07 YTD Actual</i> | <i>Actual as a % of Budget</i> |
|--|----------------------------------|-------------------------------------|---|
| <u>ISF</u> | | | |
| Revenues, including transfers in | \$252,788,000 | \$103,776,001 | 41.1% |
| Expenses, including transfers out | \$252,788,000 | 102,037,780 | 40.4% |
| Net Change | \$0 | 1,738,221 | |
| Retained Earnings, July 1 | | 27,708,425 | |
| Ending Retained Earnings | | \$29,446,646 | |

The Internal Service Fund program represents the core of VITA's business, and accounts for the majority of revenues and expenses, including telecommunications, computer services, and shared rate (agency-based) services. Revenues and expenses are basically in line with budget for this point in the fiscal year. The timing of Northrop Grumman milestone and other payments may distort the revenues and expenditure picture at any given time. Through November we paid \$14.7 million in milestone payments; an additional \$9.4 million are scheduled for payment in December.

**YTD Financial Results
Enterprise Funds**

| | <i>FY 2008 Budget</i> | <i>Nov-07 YTD Actual</i> | <i>Actual as a % of Budget</i> |
|-----------------------------------|---------------------------|------------------------------|------------------------------------|
| <u>Enterprise</u> | | | |
| Revenues, including transfers in | \$52,061,701 | \$20,821,712 | 40.0% |
| Expenses, including transfers out | <u>49,202,442</u> | <u>18,708,636</u> | 38.0% |
| Net Change | <u>\$2,859,259</u> | 2,113,076 | |
| Retained Earnings, July 1 | | <u>17,064,268</u> | |
| Ending Retained Earnings | | <u>\$19,177,344</u> | |

VITA's Enterprise Fund is comprised of the Wireless E-911 activity. Revenue receipts from the E-911 carriers run 30-60 days behind. We have accrued any estimated uncollected receipts through November. Expenses reported through November include actual payments for localities and other vendors for FY08 services as well as estimated expenses for months not yet billed.

**YTD Financial Results
General Fund**

| | <i>FY 2008 Budget</i> | <i>Nov-07 YTD Actual</i> | <i>Actual as a % of Budget</i> |
|-----------------------------------|---------------------------|------------------------------|------------------------------------|
| <u>GF</u> | | | |
| Revenues, including transfers in | \$2,541,295 | \$0 | 0.0% |
| Expenses, including transfers out | <u>2,541,295</u> | <u>0</u> | 0.0% |
| Net Change | <u>\$0</u> | 0 | |
| Retained Earnings, July 1 | | <u>0</u> | |
| Ending Retained Earnings | | <u>\$0</u> | |

The General Fund is comprised of overhead costs not allocable for indirect cost charge-back. This amount (\$2.5 million) has not been available to VITA year-to-date because of amendments in the 2007 session Budget Bill related to projected "VITA savings". The shortfall in this appropriation has presented operational challenges for VITA. Those expenditures that would otherwise have been charged to GF have been borne by the Internal Service Fund or other programs.

**YTD Financial Results
Special Revenue Funds**

| | <i>FY 2008 Budget</i> | <i>Nov-07 YTD Actual</i> | <i>Actual as a % of Budget</i> |
|-----------------------------------|---------------------------|------------------------------|------------------------------------|
| <u>Special</u> | | | |
| Revenues, including transfers in | \$4,821,609 | \$1,730,008 | 35.9% |
| Expenses, including transfers out | <u>4,821,609</u> | <u>2,136,426</u> | 44.3% |
| Net Change | <u><u>\$0</u></u> | (406,418) | |
| Retained Earnings, July 1 | | <u>1,325,940</u> | |
| Ending Retained Earnings | | <u><u>\$919,522</u></u> | |

The current activity is primarily related to the Industrial Funding Adjustment (IFA) fund, or commodity surcharge, which pays for acquisition and general government activities, including support to the Governor's Office, that would not normally be included as overhead billed to state agencies and other customers. The year to date lag in expenditures over revenues is principally due to timing of payments by vendors and transfers from other agencies on behalf of vendors.

**YTD Financial Results
Federal Funds**

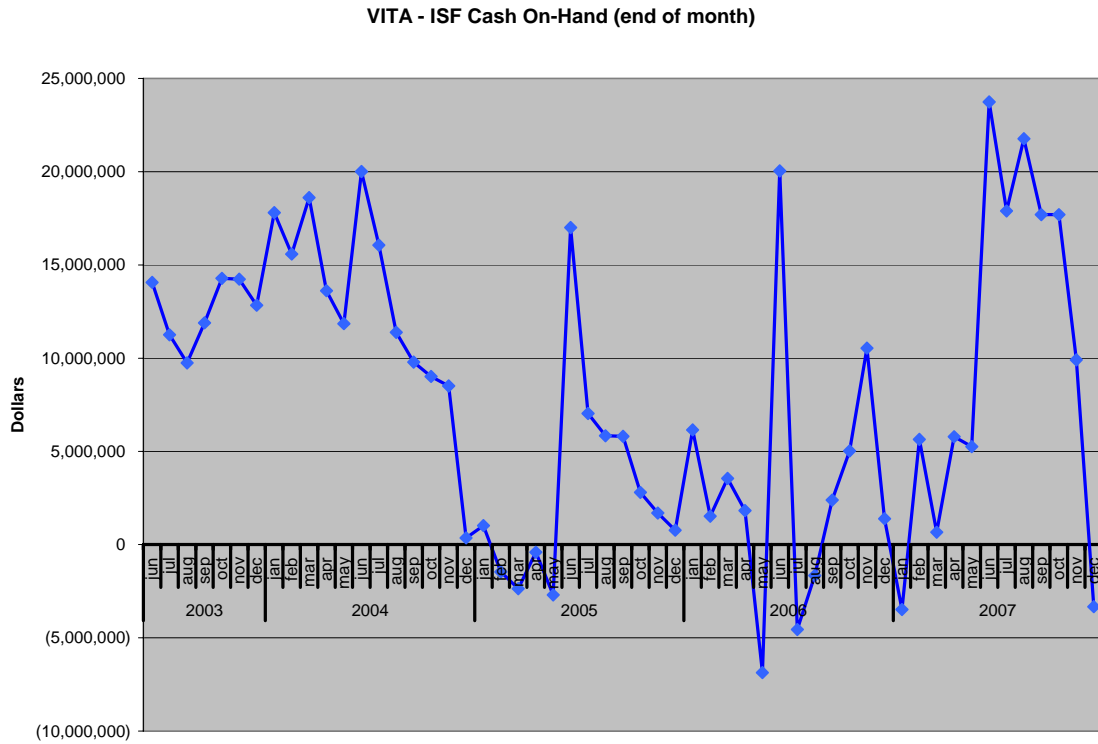
| <u>Federal</u> | <i>FY 2008 Budget</i> | <i>Nov-07 YTD Actual</i> | <i>Actual as a % of Budget</i> |
|-----------------------------------|---------------------------|------------------------------|------------------------------------|
| Revenues, including transfers in | \$630,204 | \$0 | 0.0% |
| Expenses, including transfers out | <u>630,204</u> | <u>0</u> | 0.0% |
| Net Change | <u><u>\$0</u></u> | <u>0</u> | |
| Retained Earnings, July 1 | | <u>633,670</u> | |
| Ending Retained Earnings | | <u><u>\$633,670</u></u> | |

In June 2007, VITA received \$630K grant for the Virginia Base Mapping Project. These funds will be expended in FY 2008 in accordance with the grant requirements. We are currently waiting for the budget appropriation to spend these funds.

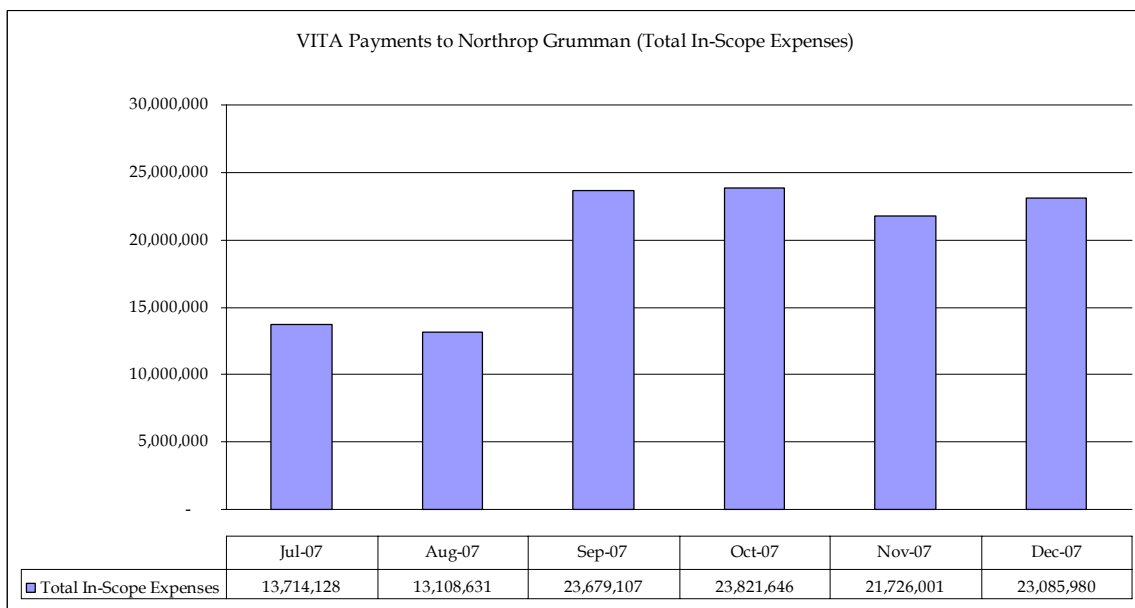
Cash Flow – Internal Service Fund (ISF)

ISF Cash with Treasurer of Virginia

| Cash with Treasurer of Virginia | |
|--|------------------------|
| 30-Jun-07 | \$ 23,737,479 |
| 31-Dec-07 | (\$ 3,327,083) |



The chart above reflects revenue collections net of expenditures at the end of each month, and **DOES NOT include working capital cash advances/treasury loans** (which totaled \$10.0 million for much of the first half of calendar 2007).



Accounts Receivable (as of November 30, 2007)

| | Total | Current | 1-30 Days | > 30 Days |
|---------------------------------|-------------------------|-----------------|------------------|---------------------|
| Comprehensive Services | \$ 17,300,575.00 | \$ 939,785.00 | \$ 6,231,968.00 | \$ 10,128,822.00 |
| Telecommunications | 12,749,978.00 | 11,509,687.00 | 1,111,789.00 | 128,502.00 |
| Computer Services | 7,359,643.00 | 3,716,500.00 | 3,121,137.00 | 522,006.00 |
| Time and Materials/PMD | 324,739.00 | 319,452.00 | 4,175.00 | 1,112.00 |
| Miscellaneous | 20,122.00 | 7,400.00 | - | 12,722.00 |
| Total Internal Svc Funds | \$ 37,755,057.00 | \$16,492,824.00 | \$ 10,469,069.00 | \$ 10,793,164.00 |

The November 30th balance of \$37.7 million is \$4.7 million greater than the August 31st balance and \$10 million greater than the June 30th balance of \$27.7 million. The year-end balance is typically lower because agencies push to pay invoices before the close of the fiscal year.

As is usually the case, the majority of our past due receivables are associated with comprehensive (decentralized) services. Some of this is attributable to the timing of the invoice issuance. The November comprehensive services invoices were issued on November 16 and were due on November 26th making any balances outstanding at the end of the month past due. Of the 1-30 day balance, \$3.7 million was paid in December.

We also have customers that are either not paying or are short paying because of issues with inventory and/or funding. These include some of the Mental Health agencies, the Virginia Commission for the Arts, and the Department of Health Professions.

Four customers (DMV, DOC, VDOT, and DSS) account for 36% of the total past due accounts. DMV has \$1 million in unpaid invoices for a major project involving replacement of customer computers at a number of offices due to disputes about services and equipment received. In addition DMV's October and November decentralized services invoices were outstanding, one of which was paid in December. DOC has \$637K outstanding for incremental billings that are outside the NG provided services as well as their October and November decentralized services invoices. VDOT's November decentralized invoice was outstanding at November 30th (1-30 days past due); it has since been paid. DSS has \$824K outstanding in incremental billings. VITA staff are working with each of these agencies to resolve these issues and collect the past due amounts.

2008 Session Budget Update

| 2008 BUDGET BILL -- PROPOSED ADJUSTMENTS TO VITA'S BUDGET | | | | | | | | |
|---|--|----------------|----------------|---------------|-------------|----------------|---------------|-------------|
| <u>Item #</u> | <u>Description</u> | <u>FY 2008</u> | <u>FY 2009</u> | | | <u>FY 2010</u> | | |
| | | <u>GF \$</u> | <u>GF \$</u> | <u>NGF \$</u> | <u>FTEs</u> | <u>GF \$</u> | <u>NGF \$</u> | <u>FTEs</u> |
| 431 | Increase VGIN appropriation for new rates | | | 769,163 | | | 769,163 | |
| 422 | Restore GF "executive management" savings cut | 4,932,000 | 4,932,000 | | | 4,932,000 | | |
| 433 | Reduce GF in VGIN to be replaced w/ rates revenue | | -344,334 | | | -344,334 | | |
| 433 | Continue 2008 GF budget reduction | | -127,000 | | -1 | -127,000 | | -1 |
| 421 | Transfer E-911 program to VDEM | | | -49,818,979 | -10 | | -48,113,801 | -10 |
| 432 | Transfer IT procurement to DGS | | | -2,013,717 | -17 | | -2,030,415 | -17 |
| 432 | Language added: <i>D.1. Notwithstanding any other provision of law, effective July 1, 2008, the Virginia Information Technologies Agency shall relinquish authority and responsibility for procurement of information technology goods and services to the Department of General Services.</i> <i>D.2. The Division of Purchases and Supply within the Department of General Services shall delegate procurement authority and responsibility for telecommunications services, internet services, and the Virginia Information Technologies Agency/Northrop Grumman Contract to the Virginia Information Technologies Agency.</i> | | | | | | | |

434 **Language added:**

H. The Virginia Information Technologies Agency shall absorb, each year, a total of \$1,250,000, all funds, from operational efficiencies based rebate to the agency's telecommunications customers. The rebate is a result of savings achieved by the agency's continued efforts to reduce its overhead and indirect costs. The general fund portion of the rebate for state agencies is \$368,577 and is referenced in Item 473 to adjust the general funding distributed to state agencies for impacts of decentralized rates. The nongeneral fund portion of the rebate is \$530,084, and the remainder reflects federally funded dollars. All funds from the Virginia Retirement System and federal sources are excluded from these adjustments. Agencies receiving a nongeneral fund rebate may retain that funding to offset any increased costs of decentralized rates.

473 **Language added:**

L.1. Out of the appropriation for this Item, up to \$9,505,454 from the first year and \$9,505,454 from the second year from the general fund is provided to state agencies for costs incurred as the result of the new decentralized rates for information technology services charged by the Virginia Information Technologies Agency. The Director, Department of Planning and Budget, is authorized to transfer these funds to the impacted state agencies based upon information provided by the Virginia Information Technologies Agency. Also, the Director, Department of Planning and Budget, is authorized to transfer funds between Executive Branch agencies based on these new decentralized rates approved by the Joint Legislative Audit and Review Commission. Transfers may be made if current funding exceeds actual charges.

L.2. This amount reflects and was reduced by the general fund portion of an operational efficiencies based rebate from the Virginia Information Technologies Agency. For each year, the agency shall absorb a total of \$1,250,000, all funds, for this rebate resulting from savings achieved by the agency's continued efforts to reduce its overhead and indirect costs. The general fund portion of the rebate is \$368,577 and the remainder reflects nongeneral fund and federally funded savings. Agencies receiving a nongeneral fund rebate may retain that funding to offset any increased costs of decentralized rates.

Agency IT Funding

- The language included in the introduced Budget Bill simply continues the action adopted by the Governor and General Assembly last year, intended to address the needs of agencies experiencing unbudgeted increases in VITA rates.

Transfer of E-911 program from VITA to VDEM

- Virginia's E-911 program is nationally recognized as among if not the best in the country.
- Last year the efficiency and productivity of this local government support program was significantly enhanced through the consolidation of three functions, previously existing in separate programs and agencies, into a single integrated program:
 - Public Safety Communications in VITA (E-911);
 - Virginia Geographic Information Systems; and
 - Radio Engineering
- The 2008-10 Budget Bill proposes once again segregating these functions. Separating these functions by transferring only one element of the program (E-911) will adversely impact the continuity of local government support for all three programs, and increase the annual cost of the total program by approximately \$200,000.
- Regardless of where the programs reside, they should remain intact along with the E-911 Board and the VGIN Advisory Board to ensure Virginia continues to have the best possible program.

Continuation of FY 08 Rebates to Customer Agencies

- In FY 2007-08 VITA implemented its share (-\$127,000) of the Governor's 5% general fund budget reduction. In addition, VITA, at the direction of the ITIB, implemented a total of \$1.25 million in additional internal administrative cost reductions going forward.
- The additional reductions were made consistent with Federal regulations requiring a fee for service agency like VITA to produce billing rates in line with projections for actual costs to provide services.
- The Budget Bill includes language that seemingly further reduces VITA's operating cost for services by an additional \$1.25 million for each year of the FY 2008-10 budget without a commensurate reduction in agency use of services.

- As presented in the introduced Bill the proposed language will require VITA to over charge state and local agencies for the cost of VITA telecommunication services in order to implement the proposed rebate. A planned excess recovery, as proposed, risks being in violation of state and federal regulations for charge back services (OMB-Circular A-87) and may result in disallowance action affecting the entire VITA cost allocation plan (CAP).

Transfer of IT Procurement Authority to DGS

- The introduced Budget Bill proposes to transfer IT procurement authority and responsibilities from VITA to the Department of General Services (DGS). The proposed language is inconsistent with the statutory responsibilities of the CIO and the ITIB as provided in general law for the review, evaluation and approval of new IT investments.
- The Commonwealth under the Partnership contract committed that its executive branch agencies would use Northrop Grumman as its primary infrastructure services provider. Language included in the DGS Budget also requires procurement of IT applications/services to once again be made by the numerous executive agencies, making the ITIB's, VITA's and Northrop Grumman's role in fulfilling the Partnership agreement all the more complicated.
- Agency IT procurements typically includes requirements for infrastructure and applications components. The coordination and fulfillment of integrated agency procurement requests between two agencies and Secretariats, as proposed, will likely result in a more complex and inefficient process for agencies and vendors, increase cost and lengthen the time for execution.
- The proposal does not appear to be consistent with the APA's most recent report and recommendations calling for more ITIB central IT investment oversight versus a division of responsibilities among central agencies.

Reversing General Fund Cut

- The -\$4.9 million general fund "savings" item is eliminated in both the caboose bill (FY 2008) and the Budget Bill (2008 – 2010).
- This will enable us to pay for governance activities from the intended funding source, rather than relying on internal service funds – having a positive impact on VITA's cash flow.

JLARC Rates Approval

Experience with the first year of decentralized rates revealed some cost savings in VITA and saw the introduction of several operational efficiencies, notably in the administration of billing. This enabled us to propose rates reductions in key (desktop and laptop) services and to decrease the indirect charge for incremental purchases. New service offerings (premium desktop and laptop packages) were proposed in response to customer demand. An improved array of conferencing services are offered as a result of partnership activities.

In the fall of 2007 VITA evaluated the costs associated with and revenues derived from the existing decentralized services rates as well as captured changes and additions to other services rates. This review culminated in a new submission to JLARC in November. JLARC, at its December 10, 2007, meeting, unequivocally approved the entire VITA rates proposal submitted the previous month. The effective date for most rates is July 1, 2008.

Assessing the potential impact of the revised rates that can be quantified at this time, we found that significant savings to customers may be experienced in several service areas. The overall impact of the latest service mix and charging structure can not yet be determined, however, as there are many unknown variables. Significant among these are “moving target” asset inventory counts, individual refresh schedules, unknown future demand for services, and increased choices among levels of services that will affect the options customers select.

DPB, in developing the 2008 Budget Bill, took the approved 2007 rates structure and the 2008 rates proposal to JLARC into account. FY 2008’s budget proposal (the caboose bill) includes \$4.7 million in general fund appropriations in central accounts to offset agency rates increases. The Bill for the 2008 – 2010 biennium proposes providing a small number of agencies permanent funding increases or decreases to meet their IT service cost obligations beginning in FY 2009 (July 1, 2008). A \$9.5 million general fund appropriation (\$4.7 million net overall) would be set aside in central accounts each year to assist customers in paying for VITA services. Proposed language also gives DPB the authority to cut an agency’s general fund appropriation if VITA charges decline.

Enterprise Applications Project Office

Secretary of Finance Jody Wagner and VEAP Program Director Peggy Feldmann informed Mr. McGuirk and Mr. Reese that the Enterprise Resource Planning Financial Management Project’s Request for Proposal (RFP) is delayed because of funding constraints. Discussions are ongoing to determine a way forward for the numerous financial requirements of the state. The RFP has been delayed, not cancelled, as new strategies are being considered. VITA Supply Chain and the Program believe the RFP is comprehensive enough to accommodate a number of scenarios without substantial changes to the current RFP.

In the meantime, work continues on business process improvement recommendations and chart of accounts enhancements that will be useful to the Financial Management project and other Commonwealth efforts. During December 2007, the Program received from an independent consultant an estimate of costs to complete the Financial Management Project and other initiatives within the Program.

Two other projects – Performance Budgeting and Business Intelligence – progressed as anticipated. Both projects are tracking toward RFP issuances in January 2008 with preparations for agency involvement underway by the program’s technical and change management teams. The Performance Budgeting team expects to issue a software award by May and begin implementation in July. Likewise, the Business Intelligence team plans to issue an RFP in January 2008 and award a contract by May.

| | Phase I Planning Budget | Actual (11/30/07) | Remaining Budget |
|--|------------------------------------|------------------------------|-----------------------------|
| Personnel | 2,178,393 | 1,305,288 | 873,105 |
| <i>EA Project Management Office</i> | 578,471 | 356,598 | 221,873 |
| <i>CoVA Project Team</i> | 1,599,922 | 948,690 | 651,232 |
| Office Space | 0 | 0 | 0 |
| Operational Costs | 20,375 | 11,375 | 9,000 |
| Other | 34,177 | 31,177 | 3,000 |
| Contracts | 8,752,225 | 6,301,212 | 2,451,013 |
| <i>CGI Fixed Fee</i> | 1,200,000 | 1,150,000 | 50,000 |
| <i>CGI and Strategic Consultants T&M</i> | 5,182,913 | 4,393,414 | 789,500 |
| <i>Planning Support</i> | 46,561 | 46,561 | 0 |
| <i>Executive Recruiter</i> | 55,102 | 55,102 | 0 |
| <i>Change Management</i> | 151,046 | 39,354 | 111,692 |
| <i>RFP Requirements Development</i> | 65,000 | 65,000 | 0 |
| <i>Procurement Assessment</i> | 67,479 | 67,479 | 0 |
| <i>Supplemental Project SMEs</i> | 1,448,664 | 358,527 | 1,090,136 |
| <i>Business Case Development</i> | 191,080 | 0 | 191,080 |
| <i>Performance Budgeting Due Diligence</i> | 228,601 | 59,996 | 168,605 |
| <i>Independent Verification & Validation</i> | 115,779 | 65,779 | 50,000 |
| Office Supplies | 10,487 | 7,487 | 3,000 |
| Travel/Business Meals | 4,344 | 3,744 | 600 |
| Total: | 11,000,000 | 7,660,282 | 3,339,718 |

Appendix



**Virginia Information Technologies Agency
Combining Balance Sheet
Internal Service Funds
November 30, 2007**

Program (Layout): RPT8001

| | Out-of-Scope Services | Computer Services | Telecommunications | Totals 2008 |
|---|----------------------------------|------------------------------|---------------------------|-------------------------|
| Assets | | | | |
| Current Assets: | | | | |
| Cash with Treasurer of Virginia | \$ (2,213,619.80) | \$ (6,386,157.64) | \$ 18,973,868.32 | \$ 10,374,090.88 |
| Petty Cash and Travel Advances | 800.00 | 6,400.00 | 800.00 | 8,000.00 |
| Accounts Receivable | 25,776.47 | 24,703,051.56 | 13,026,229.77 | 37,755,057.80 |
| Due From Other Funds | - | - | - | - |
| Due from Commonwealth of Virginia | - | - | - | - |
| Investments | - | - | - | - |
| Prepaid Expenses | (6,793.77) | 5,413.62 | 4,699.24 | 3,319.09 |
| Total Current Assets | (2,193,837.10) | 18,328,707.54 | 32,005,597.33 | 48,140,467.77 |
| Noncurrent Assets | | | | |
| Depreciable Capital Assets, Net | 112,261.14 | 20,364,174.33 | 110,298.49 | 20,586,733.96 |
| Total Assets | \$ (2,081,575.96) | \$ 38,692,881.87 | \$ 32,115,895.82 | \$ 68,727,201.73 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts payable | \$ 60,153.65 | \$ 12,522,166.66 | \$ 7,273,236.06 | \$ 19,855,556.37 |
| Interest Payable | - | 72,486.23 | - | 72,486.23 |
| Capital Lease Obligations | - | 1,060,837.58 | - | 1,060,837.58 |
| Due to Other Funds | - | - | - | - |
| Due to Other Agencies | - | - | - | - |
| Notes Payable | - | (0.00) | 233,079.03 | 233,079.03 |
| Advances from Treasurer of Virginia | - | - | - | - |
| Accrued Compensated Absences | 65,958.00 | 1,362,859.21 | 307,291.00 | 1,736,108.21 |
| Deferred Contract Revenue | - | - | - | - |
| Other Deferred Revenue | 89,335.30 | 9,781,284.17 | 158,085.15 | 10,028,704.62 |
| Due to Federal Government | - | - | - | - |
| Other Liabilities | - | - | - | - |
| Total Current Liabilities | 215,446.95 | 24,799,633.85 | 7,971,691.24 | 32,986,772.04 |
| Noncurrent Liabilities: | | | | |
| Notes Payable | - | - | 48,319.34 | 48,319.34 |
| Accrued Compensated Absences | 41,950.60 | 1,347,390.56 | 402,349.47 | 1,791,690.63 |
| Capital Lease Obligations | - | 4,453,773.49 | - | 4,453,773.49 |
| Deferred Contract Revenue | - | - | - | - |
| Total Noncurrent Liabilities | 41,950.60 | 5,801,164.05 | 450,668.81 | 6,293,783.46 |
| Total Liabilities | 257,397.55 | 30,600,797.90 | 8,422,360.05 | 39,280,555.50 |
| Net Assets | | | | |
| Investment in Capital Assets, Net of Related Debt | 112,261.14 | 14,849,563.26 | (171,099.88) | 14,790,724.52 |
| Unrestricted | (2,451,234.65) | (6,757,479.29) | 23,864,635.65 | 14,655,921.71 |
| Total Net Assets | (2,338,973.51) | 8,092,083.97 | 23,693,535.77 | 29,446,646.23 |
| Total Liabilities and Net Assets | \$ (2,081,575.96) | \$ 38,692,881.87 | \$ 32,115,895.82 | \$ 68,727,201.73 |

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Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Internal Service Funds
For the Period Ended: November 30, 2007

Program (Layout): RPT8039

| | Out-of-Scope | Computer Services | Telecommunications | Totals 2008 |
|---|--------------------------|------------------------------|---------------------------|-------------------------|
| Operating Revenues | | | | |
| Charges for Services | \$ 186,788.88 | \$ 73,743,972.48 | \$ 28,806,105.84 | \$ 102,736,867.20 |
| Total Operating Revenues | 186,788.88 | 73,743,972.48 | 28,806,105.84 | 102,736,867.20 |
| Operating Expenses | | | | |
| Personal Expenses | 883,667.28 | 10,420,192.29 | 2,102,659.23 | 13,406,518.80 |
| Contractual Services | 100,462.10 | 54,371,730.52 | 22,974,404.26 | 77,446,596.88 |
| Supplies and Materials | 13,477.58 | 229,429.19 | 12,212.12 | 255,118.89 |
| Educational Assistance and Transfer Payments | 334.90 | 5,205.61 | 334.90 | 5,875.41 |
| Rent, Insurance & Other Related Charges | 62,905.43 | 3,959,275.83 | 322,337.39 | 4,344,518.65 |
| Depreciation | 7,971.74 | 4,069,346.80 | 417,294.37 | 4,494,612.91 |
| Expendable Equipment/Improvements | 12,468.02 | 1,013,899.67 | 1,880.72 | 1,028,248.41 |
| Total Operating Expenses | 1,081,287.05 | 74,069,079.91 | 25,831,122.99 | 100,981,489.95 |
| Operating Income (Loss) | (894,498.17) | (325,107.43) | 2,974,982.85 | 1,755,377.25 |
| Nonoperating Revenues(Expenses) | | | | |
| Interest | - | - | (4,225.51) | (4,225.51) |
| Depreciation | - | (1,024,965.05) | - | (1,024,965.05) |
| Reimbursement to Federal Government | - | - | - | - |
| Revenue from the Sale of Recyclable Materials | - | - | - | - |
| Realized Gain -- Assets | - | 1,039,134.30 | - | 1,039,134.30 |
| Proceed from Insurance Recoveries | - | - | - | - |
| Sale of Surplus Property | - | - | - | - |
| Loss on Fixed Asset Disposal | - | (27,099.58) | - | (27,099.58) |
| Total Nonoperating Expenses | - | (12,930.33) | (4,225.51) | (17,155.84) |
| Income (Loss) Before Transfers | (894,498.17) | (338,037.76) | 2,970,757.34 | 1,738,221.41 |
| Transfers | | | | |
| Transfers from Other Funds | - | - | - | - |
| Transfers to the General Fund of the Commonwealth | - | - | - | - |
| Transfers from the General Fund of the Commonwealth | - | - | - | - |
| Total Transfers | - | - | - | - |
| Increase (Decrease) in Net Assets | (894,498.17) | (338,037.76) | 2,970,757.34 | 1,738,221.41 |
| Total Net Assets, July 1 | (1,444,475.34) | 8,430,121.73 | 20,722,778.43 | 27,708,424.82 |
| Total Net Assets, November 30 | \$ (2,338,973.51) | \$ 8,092,083.97 | \$ 23,693,535.77 | \$ 29,446,646.23 |

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Virginia Information Technologies Agency
Combining Balance Sheet
Enterprise Funds
November 30, 2007

Program (Layout): RPT8024

| | E-911 Wireless |
|---|---------------------------|
| Assets | |
| Current Assets: | |
| Cash with Treasurer of Virginia | \$ 18,092,114.98 |
| Petty Cash and Travel Advances | - |
| Accounts Receivable | 6,903,922.09 |
| Due From Other Funds | - |
| Due from Commonwealth of Virginia | - |
| Investments | - |
| Prepaid Expenses | - |
| Total Current Assets | 24,996,037.07 |
| Noncurrent Assets | |
| Depreciable Capital Assets, Net | 63,047.78 |
| Total Assets | \$ 25,059,084.85 |
| Liabilities | |
| Current Liabilities: | |
| Accounts payable | \$ 5,836,829.10 |
| Interest Payable | - |
| Capital Lease Obligations | - |
| Due to Other Funds | - |
| Due to Other Agencies | - |
| Notes Payable | - |
| Advances from Treasurer of Virginia | - |
| Accrued Compensated Absences | 22,014.00 |
| Deferred Contract Revenue | - |
| Other Deferred Revenue | - |
| Due to Federal Government | - |
| Other Liabilities | - |
| Total Current Liabilities | 5,858,843.10 |
| Noncurrent Liabilities: | |
| Notes Payable | - |
| Accrued Compensated Absences | 22,898.14 |
| Capital Lease Obligations | - |
| Deferred Contract Revenue | - |
| Total Noncurrent Liabilities | 22,898.14 |
| Total Liabilities | 5,881,741.24 |
| Net Assets | |
| Investment in Capital Assets, Net of Related Debt | 63,047.78 |
| Unrestricted | 19,114,295.83 |
| Total Net Assets | 19,177,343.61 |
| Total Liabilities and Net Assets | \$ 25,059,084.85 |

Run: December 12, 2007 at 11:28 AM



**Virginia Information Technologies Agency
Combining Statement of Revenues, Expenses,
and Changes in Net Assets
Enterprise Funds
For the Period Ended: November 30, 2007**

Program (Layout): RPT8029

| | |
|---|---------------------------|
| | E-911 Wireless |
| Operating Revenues | |
| Charges for Services | \$ 20,591,201.10 |
| Total Operating Revenues | 20,591,201.10 |
| Operating Expenses | |
| Payments to Virginia Interactive | - |
| Personal Expenses | 496,405.47 |
| Contractual Services | 1,244,004.23 |
| Supplies and Materials | 8,152.92 |
| Rent, Insurance & Other Related Charges | 5,871.22 |
| Depreciation | (3,184.91) |
| Expendable Equipment/Improvements | 6,382.25 |
| Non-recurring Cost Estimate Payments to Providers | 16,951,004.72 |
| Total Operating Expenses | 18,708,635.90 |
| Operating Income (Loss) | 1,882,565.20 |
| Nonoperating Revenues(Expenses) | |
| Interest | 230,510.68 |
| Revenue from the Sale of Recyclable Materials | - |
| Receipts on Behalf of Others | |
| Payments for Receipts Collected on Behalf of Others | |
| Loss on Fixed Asset Disposal | - |
| Total Nonoperating Revenues (Expenses) | 230,510.68 |
| Income (Loss) Before Transfers | 2,113,075.88 |
| Transfers | |
| Transfers to Other State Agencies | - |
| Transfers to the General Fund of the Commonwealth | - |
| Transfers from the General Fund of the Commonwealth | - |
| Total Transfers | - |
| Increase (Decrease) in Net Assets | 2,113,075.88 |
| Total Net Assets, July 1 | 17,064,267.73 |
| Total Net Assets, November 30 | \$ 19,177,343.61 |

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**Virginia Information Technologies Agency
Combining Balance Sheet
Governmental Funds
November 30, 2007**

Program (Layout): RPT8034

| | General Fund | Total Special Revenue Funds | Federal Funds | 2008 Totals |
|--|-------------------------|--|--------------------------|------------------------|
| Assets | | | | |
| Cash with Treasurer of Virginia | \$ - | \$ 919,616.02 | \$ 633,670.24 | \$ 1,553,286.26 |
| Petty Cash and Travel Advances | - | - | - | - |
| Accounts Receivable | - | - | - | - |
| Prepaid Expenses | - | - | - | - |
| Fixed Assets | - | - | - | - |
| Investments | - | - | - | - |
| Due From Other Funds | - | - | - | - |
| Total Assets | <u>\$ -</u> | <u>\$ 919,616.02</u> | <u>\$ 633,670.24</u> | <u>\$ 1,553,286.26</u> |
| Liabilities | | | | |
| Accounts payable | \$ - | \$ 93.42 | \$ - | \$ 93.42 |
| Due to Other Agencies | - | - | - | - |
| Other Liabilities | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>93.42</u> | <u>-</u> | <u>93.42</u> |
| Fund Balances | | | | |
| Unreserved | - | 919,522.60 | 633,670.24 | 1,553,192.84 |
| Total Liabilities and Fund Balances | <u>\$ -</u> | <u>\$ 919,616.02</u> | <u>\$ 633,670.24</u> | <u>\$ 1,553,286.26</u> |

Note: This statement is presented on the cash basis of accounting.

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**Virginia Information Technologies Agency
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Governmental Funds**

Program (Layout): RPT8052

| | General Fund | Total Special Revenue Funds | Federal Funds | Totals |
|--|-----------------|-----------------------------------|------------------|-----------------|
| Revenues | | | | |
| Appropriations | \$ - | \$ - | \$ - | \$ - |
| Sale of Geographic Data | - | 11,705.00 | - | 11,705.00 |
| Interest | - | 9,803.13 | - | 9,803.13 |
| Federal Grants | - | - | - | - |
| Other | - | 1,708,500.06 | - | 1,708,500.06 |
| Total Revenues | - | 1,730,008.19 | - | 1,730,008.19 |
| Expenditures | | | | |
| Personal Expenses | - | 1,394,511.89 | - | 1,394,511.89 |
| Contractual Services | - | 691,306.23 | - | 691,306.23 |
| Supplies and Materials | - | 2,987.95 | - | 2,987.95 |
| Non-recurring Cost Estimate Payments to Providers | - | - | - | - |
| Rent, Insurance & Other Related Charges | - | 47,019.72 | - | 47,019.72 |
| Depreciation | - | - | - | - |
| Expendable Equipment/Improvements | - | 600.22 | - | 600.22 |
| Total Expenditures | - | 2,136,426.01 | - | 2,136,426.01 |
| Excess (deficiency) of Revenues over (under) Expenditures | - | (406,417.82) | - | (406,417.82) |
| Other Financing Sources (Uses) | | | | |
| Cash Transfers In (Pass Thru) | - | - | - | - |
| Transfers from Other Funds | - | - | - | - |
| Transfers Out | - | - | - | - |
| Transfers from the General Fund of the Commonwealth | - | - | - | - |
| Transfers to the General Fund of the Commonwealth | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | - | (406,417.82) | - | (406,417.82) |
| Fund Balances, July 1 | - | 1,325,940.42 | 633,670.24 | 1,959,610.66 |
| Fund Balances, November 30 | \$ - | \$ 919,522.60 | \$ 633,670.24 | \$ 1,553,192.84 |

Note: This statement is presented on the cash basis of accounting.

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